WEEKLY ECONOMIC REVIEW

NOVEMBER 19, 2004

The Canadian dollar retreated slightly from its recent 12-year high of 84 cents (U.S), amid speculation that the Bank of Canada may not increase interest rates in December, contrary to previous expectations. This speculation is due to concerns about the effects of the dollar's renewed rise, including a recent report showing a 3.4% drop in Canadian exports in September.

At the same time, the general decline of the U.S. dollar continued, with the greenback touching a new low against the euro and a four-year low against the Japanese yen. Concerns regarding the U.S. budget and trade deficits continue to be the main factor driving the U.S. dollar's global decline.

While Canadian manufacturing shipments declined in September, Alberta bucked the national trend, recording a 0.8% increase. This extends Alberta's strong 2004 performance, which has seen the province's shipments rise by 12.8% through the first nine months of the year.

Cdn Dollar (C¢/US$)

Nov 18, 2004	**82.8¢**
Nov 10, 2004	83.5¢
2004-05 YTD	76.3¢

WTI Oil US$/bbl

Nov 18, 2004	**$46.22**
Nov 11, 2004	$47.42
2004-05 YTD	$43.22

Nymex Natural Gas C$/mcf*

December Contract

Nov 19, 2004	$8.11
Nov 12, 2004	$8.72

*estimate based on Nymex Futures Market Price

Energy prices moderated further this week, as a report from OPEC predicted a nearly 2 million barrel per day build in global oil stocks in the fourth quarter, based on strong OPEC production and a perceived slowdown in China's economic growth.

Since reaching a 21-month high earlier this month, natural gas prices have declined by 20 percent. Moderating oil prices and a strong natural gas storage report contributed to the decline in natural gas prices this week.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date*
Manufacturing Shipments	September			
Alberta		0.8%	21.1%	12.8%
Canada		-0.6%	10.0%	7.4%
Wholesale Trade	September			
Alberta		-0.7%	14.0%	12.0%
Canada		-1.9%	6.7%	12.3%
New Motor Vehicle Sales	September			
Alberta		-1.4%	0.3%	-3.4%
Canada		-3.2%	-7.9%	-5.9%

Source: Statistics Canada

**Year-to-date 2004 compared to the same time period in 2003. For example: January-September 2004 versus January-September 2003*

Alberta Finance